SUPREME COURT, U. S.

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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1968

No. 1346

GIULIO NATTA ET AL, *Petitioners,*

against

ALEX ZLETZ AND
STANDARD OIL COMPANY OF INDIANA,
Respondents.

REPLY BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

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At issue in this case is "the public interest in seeking the truth about who is entitled to this patent", *Natta* v. *Zletz*, 405 F. 2d 99, 101 (7 Cir. 1968). The prospective patent is an important one; "At stake are licensing fees on a plastic [polypropylene] whose U.S. production is valued at about $200 million this year".[1]

In derogation of the paramount public interest, respondent Standard seeks to exploit the patent system by withholding a mass of relevant documents.[2] Standard has suc-

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[1] The quotation is from the article entitled "Round Won in PP Patent Tangle", *Chemical and Engineering News*, May 5, 1969, p. 7, reproduced as Exhibit A, *infra*, p. 1a.

The same article states that "Polypropylene output will pass 1 billion pound level this year". It also shows that respondent Standard's Avisun subsidiary is expanding to a "250 million pound-per-day capacity".

[2] As the petition notes (Pet. 5, n. 2)*, Standard originally filed a list of hundreds or even thousands of pages of withheld documents. That list has now been supplemented by a "category 4", including innumerable additional pages of withheld material.

* In this reply, "Pet." refers to the Petition and "R. Br." to the "Brief for Respondents in Opposition".

ceeded in the courts below by invoking grossly unorthodox procedures, inconsistent with the rulings of this Court. By its opposition to the present petition Standard seeks to foreclose repudiation of these improper procedures and thus to continue exploitation for its private gain not only of the patent system but also the accepted standards of judicial procedure.

THE MANDATE CONFLICT

In derogation of *Briggs* v. *Pennsylvania Railroad Co.*, 334 U.S. 304 (1948), the District Court "deviate[d] from the mandate" of the Seventh Circuit in Appeal No. 16,997. It entered a "Final Order After Remand" (A625) which provides in paragraphs B and D that respondents "shall not be required to produce" a portion of the documents dated subsequent to October 15, 1954 "in the categories already sought by Natta" as the mandate from Appeal 16,997 specifically ordered.[3]

The court below purportedly "affirmed" this prohibited assumption of authority.[4] Respondents seek to camouflage the resulting conflict with *Briggs* by resort to inapposite precedent from this Court.

The apparent success of this same ploy in the Court of Appeals demonstrates the need for review. *If* these inapposite cases *justify* the result below, they are in conflict

[3] The "Final Order After Remand" (A625) included a paragraph *B* providing:

> "B. To the extent it has not already done so, Standard shall produce for inspection by Natta counsel all of the documents with respect to which Standard's objections were sustained by said hereby vacated Final Order, *subject only to the* terms and conditions set forth in the aforementioned *opinion* of the United States Court of Appeals for the Seventh Circuit *and* paragraph *D* hereof;"

Paragraph D defines the purported work product and privileged documents embraced by the mandate which "Standard shall not be required to produce." (A628).

[4] As to the departure from accepted judicial procedures implicit in this purported "affirmance", see *infra*, p. 6, and Pet. 8.

with *Briggs*. If they do *not*, the rule in *Briggs* is controlling and has been violated.

Briggs leaves no discretion in either court below to "interpret" the 16,997 mandate to include an exception contradictory of its plain language, *cf.* R.Br. 5. If the mandate in Appeal 16,997 that Standard shall produce documents "if in the categories already sought" *could* be repudiated in either court by an "interpretation" that Standard "shall *not* produce" a portion of these very same documents, the rule in *Briggs* would be chimerical.

Respondents cannot evade the conflict with *Briggs* by positing their "interpretation" contentions on out-of-context statements of this Court in cases involving appellate review of administrative orders.[5] Each of the cited cases is careful to emphasize that the order in question "was not a mandate from court to court but from a court to an administrative agency" which "involved" a "much deeper issue". *F.C.C.* v. *Pottsville Broadcasting Co.*, 309 U.S. 134, 140-141 (1940). In *this* case a "mandate from court to court" *is* involved.

Nor can respondents rationalize the conflict with *Briggs* by reference to *Sprague* v. *Ticonic National Bank*, 307 U.S. 161 (1939) (R.Br. 6). In *Sprague* this Court said that the "general proposition" that a lower court is "bound to carry the mandate of the upper court into execution . . . is indisputable. . . . But that leaves us still to consider whether the immediate issue now in controversy was disposed of in the main litigation and therefore foreclosed by the mandate. While *a mandate is controlling* as to matters *within its compass*, on the remand a lower court is free as to other issues" (307 U.S. at 168, emphasis added).

The mandate in Appeal No. 16,997 *includes* "within its compass" the post-October 15, 1954 documents for which Standard now asserts work product and privilege claims.

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[5] To wit, *F.C.C.* v. *Pottsville Broadcasting Co.*, 309 U.S. 134 (1940); *N.L.R.B.* v. *Donnelly Garment Co.*, 330 U.S. 219 (1947); and *F.T.C.* v. *Colgate-Palmolive Co.*, 380 U.S. 374 (1965) (R. Br. 5).

If it did *not*, respondents' insistence upon the *inclusion* in the "Final Order" of paragraph D *expressly to exclude* such documents from the mandate's "compass" *would have been quite unnecessary.*[6]

Because the documents are "within" the "compass" of the mandate, the consequence of respondents' conduct was waiver—not preservation—of the privilege and work product claims. See *Sprague, supra,* 307 U.S. at 169, and the cases cited at Pet. 12-13, par. 3.

THE WAIVER CONFLICT

Respondents only answer to the "waiver" conflict is an evasion posited on a misrepresentation of the record. Respondents allege that their privilege and work product contentions—admittedly "emphasized . . . throughout the district court proceedings" (R.Br. 2, n. 2)—were "a defense which was not passed on by the court below" (R.Br. 7) prior to Appeal 16,997.

The district judge's *own* construction of his May 16, 1968 final order made in open court on January 17, 1969 at the first hearing after issuance of the 16,997 mandate is to the contrary. On that occasion the district judge said: "Well, I had sustained their [respondents'] objection. It would have been up to you [petitioners] to have gotten it reversed on that [*i.e.,* privilege and work prod-

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[6] The circumstance that respondents' paragraph D would have been unnecessary if the documents it would now withhold were *not* within the "compass" of the mandate, exposes the fallacy of respondents' attempt to rely upon the cases cited at R. Br. 6, first full paragraph.

Respondents' suggestion that the opinion in Appeal 16,997 by its reference to Rule 34's exclusion of "privileged matter" seems to indicate it believed respondents' claims should be sustained" (R. Br. 6, n. 4), is not consistent with what the court said. The thrust of the court's comment is to emphasize the broad scope of discovery which Rule 34 contemplates and to make it clear that under that rule documents "may not be withheld on the grounds of irrelevancy" (A594).

Because no document is "privileged" until the facts prerequisite to the immunity are proved, Standard, having made no attempt to discharge that burden, *had no* "privileged" documents at the time Appeal 16,997 was argued.

uct], too'' (A607). The record antecedent. Appeal 16,997 fully supports the judge and flatly repudiates respondents' present inconsistent contentions.

The May 16, 1968 ''Final Order'' of the district court (A579-81) is in all material respects verbatim with respondents' ''proposed final order'' (A541-3) filed *appended* to respondents' formal written ''objections'' (A539-40). These formal objections included a generic objection to producing documents dated after October 15, 1954, *inter alia,* because *''many of said documents represent work product and are privileged''* (A539). Respondents' *appended* ''proposed final order'' included a ruling (par. 4) that ''Zletz's . . . objection to producing documents dated subsequent to October 15, 1954 is sustained'' (A543)—which was verbatim adopted by the district court (A581).

Manifestly, the district judge *did* ''pass on'' and ''sustain'' respondents' *whole* objection to producing post-October 15, 1954 documents, including the portion which rested on privilege and work product grounds. There was accordingly no occasion for petitioners to except, as respondents insist they should have, to the judge's ''failure to pass on the privilege issue in its May 16, 1968 order'' (R.Br. 3; *cf.* R. Br. 7).[7]

And it follows that the cases cited by respondents at R.Br. 7, all of which deal with *expressly reserved* or otherwise severed issues, are off-point. Respondents *could* have sought an *express* severance prior to the issuance of the 16,997 mandate.[8] Their failure to do so is significant in

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[7] Respondents' position is, in essence, that they had the right to "preserve" *sub silentio* an argument for withholding a part of the documents covered by the May 16, 1968 final order and to reveal their hand only *after* petitioners had succeeded on Appeal 16,997 in obtaining a ruling that *all* post-October 15, 1954 documents "in the categories already sought" should be produced. If it is endorsed by this Court, litigants will be well-advised to consult soothsayers in preference to counsel for guidance on procedural problems.

[8] Throughout the lengthy district court proceedings prior to the May 16, 1968 final order, respondents made no effort to prove facts to establish their work product and privilege claims. Presumably their failure to press

illustrating the depth of conflict between the court below and the cases cited at Pet. 12-13, par. 3.

THE PURPORTED "AFFIRMANCE" BELOW

Respondents *ignore* the significant departure below from established judicial procedural standards by which the "Final Order After Remand" was "construed" to include an unrecited provision (Pet. 8) rendering it *nonfinal* and hence beyond the lower court's power to "affirm". *Cf.* 28 U.S.C. 1291. As written, the "Final Order After Remand" permits respondents to judge the merit of their own work product and privilege claims. It fails to afford petitioners the right to contest "Standard's work product and privilege claims on the merits before the district court" (Pet. App. 5a) so conveniently imputed to it by the lower court.

Such departure below from procedural regularity has spawned an even more aberrant ruling in the district court by which respondents will collaborate with the district judge in passing on the merits of the privilege and work product claims. On May 1, 1969 the trial judge ordered in open court that the mass of documents for which Standard asserts immunities will be considered *in camera* based on arguments and alleged "testimony" by respondents' counsel to be presented in an unprecedented *ex parte* proceeding from which petitioners and their counsel will be excluded.[9] Petitioners will likewise be foreclosed from access to the transcript, which will be sealed.

This abortion of the lower court's misplaced effort to "save" the "Final Order After Remand" through imputing to it an unrecited due process recognition of petition-

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the merits of these claims affirmatively during Appeal 16,997 was premised on a recognition that the record factual support was lacking.

[9] Respondents are *wrong* in asserting that the "petition elsewhere recognizes (p. 5, n. 2) [that] the district court is presently considering respondents' privilege claims as to individual documents based on an *in camera* review of such documents" (R. Br. 4, n. 3). The petition makes *no* reference to *in camera* review either in the cited portion or elsewhere.

ers' right to be heard but serves to intensify the need for this Court's intervention.

CONCLUSION

Granting of the petition and summary reversal of the decision below are clearly in order.

Respectfully submitted,

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